

**PROGRAM GUIDELINES**

(NORTHEAST PARK: Home Improvement Program)

**Program Overview:** NE Park Neighborhood has NRP dollars available that have been designated to help property owners make necessary repairs and improvements. The intent of this Grant Program is to encourage investment in the neighborhood by maintaining and improving the housing stock. Other sources of funds are also available, such as MHFA and CEE, which may be used to supplement this program.

**Grant Program**

1. **Interest Rate:** None
2. **Grant Amount:** Minimum of \$1,000; Maximum of \$3,000
3. **Program Match:** There is no matching requirement for households with income less than or equal to 100% HUD AMI, based on household size. If household income is greater than 100% HUD AMI the recipient must match each grant dollar (1:1). Income will be verified by a copy of the most recent Federal Tax Return. If a Tax Return is not required to be filed then income will be determined by verifying the projected income over the next 12 months.
4. **Income Limit:** No maximum income limit; however, project acceptance will be weighed on a needs basis for individuals who have projects that are critical for safety and security of their homes. A copy of the most recent Federal Tax Return will be used to determine if a Program Match is required. If a Tax Return is not required to be filed then income will be determined by verifying the projected income over the next 12 months.
5. **Grant Term:** N/A
6. **Eligible Properties:** Owner occupied 1-4 unit properties located within the boundaries of the NE Park Neighborhood. Individual condominiums, townhomes and properties held in a trust are eligible.
7. **Ineligible Properties:** Properties with more than 4 units, co-operatives, manufactured homes, time shares, and properties used for commercial purposes.
8. **Eligible Recipients:** Owner occupants of 1-4 unit properties within the NE Park Neighborhood who meet the program guideline criteria.
9. **Ineligible Recipients:** Include, but are not limited to: co-borrowers with no ownership interest in the subject property and business entities (Associations, Corporations, Partnerships, LLC, etc.).

10. **Ownership / Occupancy:** Property must be owner occupied. (NEPNA will review eligibility at 6 months and a year of home grant program to determine eligibility of non-owner occupied 1-4 unit properties located within the boundaries of the NE Park Neighborhood)
11. **Equity:** N/A
12. **Debt- to-Income Ratio:** N/A
13. **Underwriting / Credit Requirements:** Applicants must be current on all mortgage payments and property taxes.
14. **Multiple Grants per Property/Applicant:** Applicants may receive multiple grants, but the combined amounts are not to exceed the program maximum grant amount.
15. **Eligible Improvements:** Most interior and exterior improvements
16. **Ineligible Improvements:** Work initiated prior to the loan being approved and closed. No recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), furniture, and non-permanent appliances. Generally shrubs, trees and landscaping are ineligible improvements unless there is a safety or structural issue. Funds for working capital, debt service or refinancing existing debts are NOT allowed. CEE will defer to NEPNA chair whenever eligibility of an improvement project is in question.
17. **Bidding:** Only one bid is required for projects under \$2,000. All other projects must have at least 2 bids.
18. **Sweat Equity:** Work can be performed on a “sweat equity” basis. Grant funds cannot be used to compensate an owner for labor even if the owner is a licensed contractor, only for materials. Grant funds cannot be used for the purchase of tools or equipment, only for materials and necessary rented tools or equipment. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a signed City Inspections Department permit must be obtained by the borrower. For projects not requiring a permit, a CEE representative will verify the project is complete. Only 1 material estimate is required for sweat equity. Individuals receiving grant dollars should work with the Northeast Tool Library if tools or equipment need to be rented.
19. **Funding Requirements:** Property owners will receive a list of other funding sources and will be encouraged to apply for grant dollars from other programs such as solar power programs or low-income home repairs grants. Applicants can work with NEPNA organizer to determine if other funding is available. Neighbors are able to accept community donations if they are unable to meet grant match requirements without assistance.
20. **Post Installation Inspection:** Properties are subject to a post installation inspection by CEE when a permit is not required. When a permit is required, the work must be signed-off by a City inspector prior to release of funds.

21. **Work Completion:** Weather permitting, all work must be completed within 120 days of grant closing. Extensions may be granted by CEE.
22. **Grant Security:** None
23. **Grant closing documents:** All recipients shall sign a Participation Agreement and Escrow Agreement

### **OTHER GENERAL CONDITIONS AND PROCEDURES**

**Rehabilitation Consulting:** A CEE representative will be available to borrowers to advise them about proposed projects and will review bids for reasonableness. NRP funds will pay for this service to be provided.

**Grant Costs:** Origination fees will be paid for with NRP funds.

**Total Project Cost:** It is the recipient's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. If the final cost exceeds the grant amount the borrower must obtain the additional funds. NRP funds will not be disbursed until all other funds have been paid into the project

**Applications for Funding:** Applications will be accepted by CEE on an on- going basis and processed on a first-come, first-served basis, with a weight towards projects that are important for safety and security of a home, as funds are available until all program funds are committed. Emergency requests should be prioritized. Questions about priority can be directed to the NEPA Board Chair. Applicants may be required to submit:

- a. A completed application form
- b. A copy of current photo ID
- c. A copy of the most recent Federal Income Tax Returns, including W-2's and all schedules
- d. A copy of two most recent payroll statements
- e. A copy of your current mortgage statement
- f. A Data Privacy Act Statement, USA Patriot Act and Authorization to Release disclosure.
- g. Other documentation as requested.

**Custody of Funds:** Grant funds will remain in the custody of CEE until payment for completed work.

**Disbursement Process:**

- a. Payment to the contractor (or owner) will be made after completion of the work. An inspection will be performed by the City and/or the CEE representative to verify the completion of the work.

## EXHIBIT A

- b. The following items must be received before the funds can be released:
  - 1) Final Invoice from each contractor showing all amounts paid and due.
  - 2) Lien Waiver from each contractor.
  - 3) Material Receipts for sweat equity projects.
  - 4) Completion Certificate signed by each contractor and the borrower.
  - 5) Permits Closed. Have the inspector sign the permit card, or have the inspector leave a message at CEE, 612-335-5856 or the permit must be closed on the Minneapolis Inspections computer 612-673-5890.
  - 6) Final Inspection and approval by CEE, if applicable. The above items must be provided to CEE to begin the preparation of the check(s). Lien waivers must be provided before the funds will be released.
  
- c. Payment checks may take up to 30 business days after the above items are received to prepare. A maximum of three draws will be allowed per grant. Payments will only be made for work completed and approved.